

**Stinnett, Chair**  
Mossotti, Vice Chair  
Gorton  
Akers  
Farmer  
Scutchfield  
Myers  
Clarke  
Henson  
Lane

# A G E N D A

## Environmental Quality Committee

### January 28, 2014

### 11:00 A.M.

1. **November 12, 2013 Committee Summary** (1-4)
2. **Keep Lexington Beautiful Annual Report** (5-20)
3. **Waste Management Audit Follow up** (21-44)
4. **Monthly Financials** (45-49)
5. **Items Referred** (50)

**“Environmental Quality Committee, to which shall be referred matters relating to the Department of Environmental Quality and its divisions, and any related partner agencies.”**

-Council Rules & Procedures, Section 2.102(1)

#### 2014 Meeting Schedule

Jan 28	May 13	Sept 16
Feb 18	June 24	Oct 14
Mar 11	July 8	Nov 18
Apr 15	Aug 19	

**Environmental Quality Committee**  
**November 12, 2013**  
**Summary**

Chair Stinnett called the meeting to order at 11:00am. Council Members Stinnett, Mossotti, Gorton, Akers, Farmer, Scutchfield, Clarke and Lane were present. Council Members Myers and Henson were absent.

I. October 8, 2013 Committee Summary

Motion by Gorton to approve the October 8, 2013 meeting summary. Seconded by Clarke.  
Motion passed without dissent.

II. Energy Investment Fund

Stinnett asked for clarification on the current fund balance. O'Mara commented that the money approved by Council was included in the number presented.

Mossotti asked what EECBG stands for. Bush stated Energy Efficiency and Conservation Block Grant.

Farmer asked about what the initial cost is (Mgt slide 10 year savings bullet). Bush stated the cost to implement the change. Farmer asked about the DAC tune up. Bush said this is where they sense that their control strategy for that building has changed or needs to be reevaluated. Farmer asked for clarification on the green lights. Bush said we currently lease them from KU to maintain. Farmer asked if the resources were available to purchase. Bush stated that this was originally part of the fund balance discussion but did not think it was included. Farmer stated that we should absolutely purchase them.

Akers asked about the Dunbar windows. Bush said Parks requested \$150K from fund balance to replace the windows. He has not seen the quotes but feels they would be replaced with a more modern double paned window. Akers asked if they were funding the HVAC? Bush stated that they are coordinating their efforts and will have to go through a bid process. They do know that replacing it will improve efficiency in that building.

Lane asked the ideal criteria in the management sheet, specifically how we verify what the costs of operating different components of a building are and what we will save. Bush explained that there were four different methods ways, the first a whole building approach, prescriptive, data logging or building simulation. It depends very much on the project and is one of the things decided up front. Lane asked if they were able to pull utility information and how much information they were able to get from our current accounting system. Bush said quite a lot and elaborated on some of the information received. Lane asked how frequently they look at the operating cost on different buildings. Bush said he gets a

monthly batch file from the utility companies on all 84 accounts monthly to review and investigate as needed.

### III. Change Order Amendment CAO 15R

Vernon Azevedo provided an overview of change orders, the current process and the recommended modifications to CAO policy 15R. The Division of Water Quality recommends the following approvals:

Tier 1: 5.0% Cumulative Contract Award

-RMP or Construction Manager

Tier 2: 5.1% to 10.0% Cumulative Contract Award

-RMP/Construction Manager/Directors of DWQ & Purchasing

Tier 3: >10.0% Cumulative Contract Award or >\$1,000,000

-LFUCG Council

Time Extension: RMP Manager and Director of DWQ

Mossotti asked if we could reduce the number of change orders if we didn't always choose the lowest bidder for projects. Slatin commented on the bid process, stated that approximately 95% of our bids are awarded to the lowest bidder but there are times when they choose the best value option, but disagrees that selecting the lowest bid results in more change orders. Martin added that change orders are directly proportional to the quality of the plans and specifications as advertised. There are occasions where companies may attempt to low ball them, part of the review process is to identify huge outliers.

Lane stated that he didn't normally feel that he had enough information to approve the basic contract or change orders because he was not part of the selection process. He tried to base it on track record, etc. He feels that council does not receive a lot of details for change orders that come forward for approval. He thinks the policy is good. Suggested that under item #1, would like the cover memorandum to be prepared by the person that drew the original plans. He would also add that a copy of each document would be provided to CMs.

In follow up to Mossotti's question, Akers asked if we are sure we include everything when we create RFPs or RFQs so that the bids received are accurate. Vernon agreed with Charlie that there is a direct relationship between the quality of bid documents, contract documents. The better job we do on design and management throughout the process reduces the potential for change requests and change orders. Martin added that sometimes it is not a factor of the quality of work that the design engineer did but a factor

of our desire (Council or Administration). A sidewalk could be in bad shape so someone asks, can you replace, add handicap ramp, etc. and solving additional problems while we are already there and results in a change order.

Scutchfield suggested that the updates be sent to Council periodically so that they did not have several places to look (online, etc.). She asked if 10% was what other cities typically look at. Azevedo commented on what other entities do. The major difference between others and Lexington, is that the Division of Water Quality is a division of government and others are not, they are utilities who go to their governing body.

Clarke asked if this would apply to all change orders in the government, not just water quality of consent decree. Hamilton said that the initial plan was to only do this for remedial measures items. The reason being is that Internal Audit recently did an audit on change orders and pointed out that we needed to strengthen what was being reported to Council. They want to start here and see how it works before changing the change order process for all of government.

Motion by Mossotti to support the Division of Water Quality recommendation on the change order process for remedial measures only. Seconded by Scutchfield. Motion passed without dissent.

Lane added that he is hopeful that his changes can be included but no motion was made for this.

#### IV. Climate Adaptation Follow Up

Scott Shapiro provided an update from the Administration on the presentation at the last committee meeting where they were asked to look at the resilient communities of America agreement. Shapiro said they met with several departments and it seems clear to the Administration that it is not necessary to sign this agreement because the city seems to be making very good progress in these elements. There is one section that requests the city to take over something which we have no control over and they are concerned about that. FEMA has guidelines that we are following currently.

Stinnett asked why it would not be appropriate to sign it if we are already doing it anyway. Shapiro said there were some concerns over energy security, they asked for movement on an issue that the city has no control over.

#### V. Monthly Financials

Schoninger asked O'Mara about the Sanitary Sewers Construction Fund. It appears that there is a negative balance. Is it safe to assume that a rate increase be proposed. O'Mara stated that he would not assume that at all. They have been fortunate with grant funding,

cash reserves and are working closely with Martin and his group on cash flow analysis. We do not want to borrow money or have rate increases until we have to pay the bills.

Stinnett asked for an update on the KIA loan process. Martin said he has been requesting the loan documents from KIA and delivered commitment documents for three of the loans yesterday. Council should see blue sheets on those very soon. The goal is to get the binding agreement letters in place in time for the last meeting on December 10, 2013.

VI. Items Referred

There were no changes or additions to the items in committee list.

Motion by Gorton to adjourn. Seconded by Scutchfield. Motion passed without dissent.

# Keep Lexington Beautiful Annual Report to Council

keep lexington  
beautiful

## KLBB Mission

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To engage individuals, businesses and organizations within Fayette County to take personal responsibility for improving our environment.

# Who is Keep Lexington Beautiful?

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## Citizens

Community At-Large (David Elsen,

Connie Miller)

Neighborhood Associations (George Ely,

Blake Eames)

## Industry

Equine/Agriculture (Jim Pendergest)

Food/Beverage (Vacant)

Tourism (Patricia J Knight)

Bluegrass Greensource  
(Amy Sohner)

Education (Angela Poe)

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## Government

Urban County Council (Peggy Henson)

Division of Environmental Policy (Mark  
York)

Division of Police (Lt. Chris Schnelle)

Division of Code Enforcement (David  
Jarvis)

# Purpose

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Priorities contained in LFUCC Ordinance

22-2010:

1. Litter prevention
  2. Beautification and Community Involvement
  3. Waste reduction
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# 2013 Program Priorities

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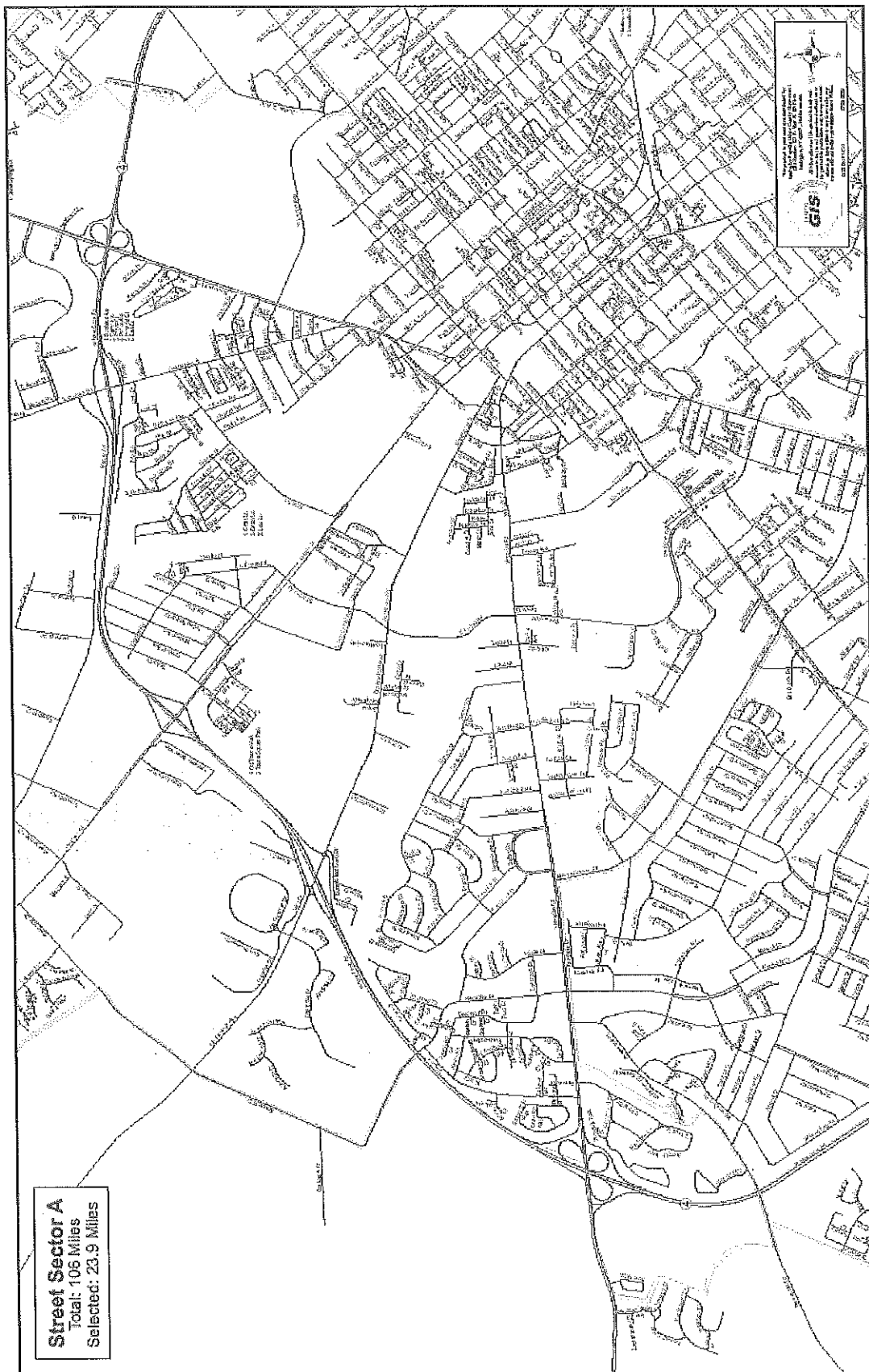
## 1. Litter prevention:

### A. Community Appearance Index

- ◆ Required by Keep America Beautiful
- ◆ Conducted annually in March
- ◆ 50 sites, 1/2 to 1 mile in length
- ◆ Litter scored on scale of 1-4
- ◆ Avg. Trend:

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2011: 1.67;	2012: 1.32	2013: 1.5
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# 2013 Program Priorities-Littering

## 2 Cigarette Litter Prevention

- ◆ 38% of all roadway litter is cigarette litter
- ◆ \$1,000 grant from Keep America Beautiful
- ◆ Target: Picadome Golf Course
- ◆ Canisters, pocket ash trays, auto ash trays
- ◆ 60% reduction in cigarette litter



# 2013 Program Priorities-Littering

Littering law changed

◆ KLB sought change

◆ Option for civil or criminal citation

◆ 2012 General Assembly House Bill

63

◆ Ordinance 146-2012



# Beautification & Community Involvement

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- Great American Cleanup 2013
  - ◆ 48 events
  - ◆ 3005 volunteers
  - ◆ 7,202 pounds of litter collected
  - ◆ 30.5 miles of streets, roads, cleaned
  - ◆ 35 acres of parks cleaned

# 2013 Great American Cleanup

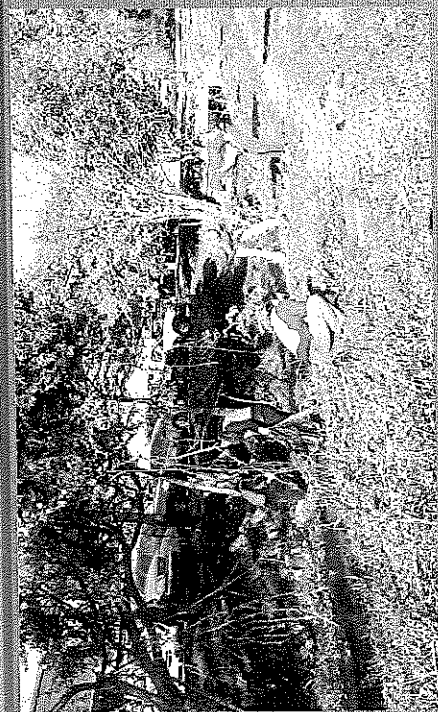


# Beautification & Community Involvement

## Richmond Road Stream Project

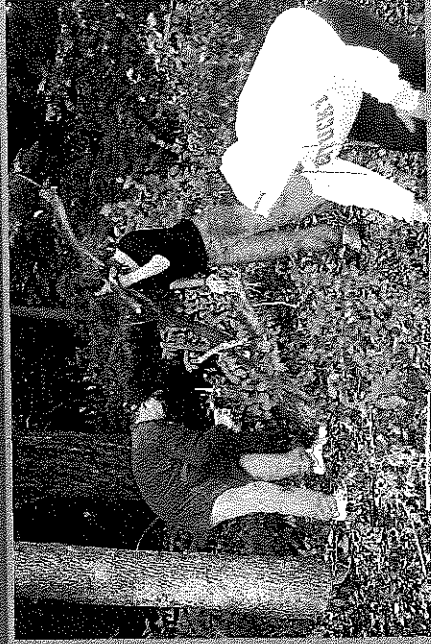
- ♦ \$20,000 grant in 2012: 84 tons of honeysuckle, 1.5 tons of trash removed, 100 native trees, shrubs planted
- ♦ 2013: 40 volunteers removed .5 tons of trash, provided maintenance for trees & shrubs

# 2013 Richmond Road



# Beautification & Community Involvement

- \$5,000 grant awarded to Friends of Wolf Run
- Stream cleanup project at Wolf Run Park
- 37 volunteers, 275 pounds of litter removed, 30 trees planted



# Waste Reduction

- Co-Sponsor of America Recycles Day paper shred event
- 570 cars, 27,000 pounds of paper shredded, recycled
- 1,100 pounds of cardboard collected



# Community Value

- 2013 – 52 events
- Value of volunteers: \$99,231.48  
(Independent Sector)
- In-kind donations: \$3,950
- Private donations: \$10,250
- Government costs: \$11,150
- Cost-Benefit ratio: 10.18:1

Questions?

keep lexington  
beautiful



Lexington-Fayette Urban County Government  
OFFICE OF INTERNAL AUDIT

## MANAGEMENT ACTION PLAN PROGRESS REPORT

DATE: November 22, 2013

TO: Jim Gray, Mayor

CC: Sally Hamilton, Chief Administrative Officer  
Charles Martin, Acting Commissioner, Environmental Quality & Public Works  
William O'Mara, Commissioner of Finance & Administration  
Steve Feese, Director of Waste Management  
Todd Slatin, Director of Purchasing  
Phyllis Cooper, Director of Accounting  
Susan Straub, Communications Director  
Urban County Council Members  
Internal Audit Board Members

FROM: Bruce Sahli, Director of Internal Audit  
Alicia Boyd, Internal Auditor

RE: Waste Management Expenditures Audit Follow Up Review

### EXECUTIVE SUMMARY

On April 26, 2013, the Office of Internal Audit issued a report on Waste Management operating and capital expenditures for the fiscal years ended 2010 through 2012 and fiscal year 2013 through November 30, 2012. Included in that report were seven findings and one risk observation. As is customary, the Director of Waste Management and the Commissioner of Environmental Quality and Public Works both responded to each finding with an action plan. Likewise, the Director of Purchasing and the Commissioner of Finance and Administration responded to the risk observation with an action plan.

On August 20, 2013, the Council's Environmental Quality Committee met and requested the Division provide additional follow-up responses to each finding. That document is

included as Appendix A. In addition, the Committee requested the Office of Internal Audit review each response and perform follow-up procedures to report on the progress of correcting each finding. The Committee requested these follow-up procedures commence no later than October 31, 2013. We sampled expenditures for the Division from the months of June and July 2013 when necessary to complete our follow-up process.

This review is provided for management information only. It is not an audit and no opinion is given regarding controls or procedures.

A summary of each finding and the risk observation from the original April 2013 audit report, and a summary of the results of our follow-up, is provided in the table below. The original findings and risk observation, management's original responses, and details of the results of this follow-up are contained in the ORIGINAL AUDIT RESULTS AND FOLLOW-UP DETAILS section of this report.

Finding # or Risk Observation	Summary of Original Finding	Follow-up results
Finding # 1 High Priority	Five different types of Purchasing Policies and Procedures violations were noted.	Waste Management purchasing coordinators have received instruction on the updated SOP. Some Purchase Orders continued to be issued after the invoice date.
Finding # 2 High Priority	Expenditures Recorded in the Wrong Fiscal Year.	Waste Management purchasing coordinators received instruction on the updated SOP. Some FY 2013 invoices charged against purchase orders created in FY 2014 and applied against 2014 budget. Accounts Payable indicates noticeable improvement in this area.

Finding # 3 High Priority	Written Policy Needed for Employee Uniform Purchases.	Division now has a written policy included in the SOP but this was not formally communicated to employees.
Finding # 4 High Priority	Incorrect Use of 211-5 Disbursement Request Form.	In compliance.
Finding # 5 High Priority	Council Approved Account Coding Not Consistently Followed.	In compliance.
Finding # 6 Moderate Priority	Expenditures Charged to Incorrect Sub-department.	Identified \$71,700 charged to the Materials Recycling Facility that was actually incurred for refuse or yard waste collections.
Finding # 7 Moderate Priority	Uniform Allowance Not Reported On Employee W-2s.	Uniforms will be treated as a fringe benefit on the 2013 W-2. The Uniform Policy, including the W-2 reporting requirement, should be formally communicated to Waste Management employees.
Risk Observation	Purchasing Procedures Allow Invoices to Exceed Related Purchase Orders.	Procedures changed to clarify and provide an absolute lower limit to initiate change orders. However, the change was not communicated to all employees.

## ORIGINAL AUDIT RESULTS AND FOLLOW-UP DETAILS

### Original Finding # 1: Purchasing Policies and Procedures Violations Noted Priority Rating: High

#### **Condition:**

We tested approximately 180 Division of Waste Management expenditures and noted numerous exceptions to Purchasing Policies & Procedures, including:

- Three expenditures in 2010, nine expenditures in 2011, twelve expenditures in 2012, and five expenditures in 2013 had purchase orders dated after the invoice date, indicating goods or services were ordered prior to the issuance of a purchase order.
- Two expenditures in 2011 had purchase requisitions that were less in amount than the purchase order and/or invoice.
- Two purchase orders issued in 2012 were less in amount than related invoices. For one expenditure, the vendor was shorted the difference and subsequently paid through the use of another purchase order issued in the same year. For the other expenditure, the vendor was shorted the difference and subsequently paid through the use of another purchase order issued in the next fiscal year. Additionally, the difference was recorded in the next fiscal year.
- Two expenditures were charged against a purchase order created in the subsequent fiscal year. See previous bullet.
- In 2011, the surcharge on invoice from a vendor was not paid at all while on another invoice from the same vendor it was paid.

#### **Effect:**

The exceptions noted above violate or circumvent LFUOG Purchasing Policies, and in some instances resulted in late payments to vendors and partial payments crossing fiscal years. Efforts to resolve these issues by Purchasing or Accounting create additional work for the staff in those Divisions.

#### **Recommendation:**

The Division of Waste Management should consistently adhere to Purchasing Policies and Procedures. Additional training for Waste Management staff having purchasing responsibilities is also recommended.

#### **Director of Waste Management Response:**

The majority of these exceptions were from invoices dealing with a vendor regarding our uniforms. We had to use a State Contract dictated by Purchasing. All requisitions

were put on the system by April, their contract expired in May and renewed in June with increased prices. We did not receive all of our orders and they are still dribbling in. This has been going on for two years. This resulted in purchase orders dated after the invoice date to adjust for the price increase. Purchasing Coordinators worked with Purchasing to compile the price increases on the purchase orders as compared to the invoices. A lot of the exceptions were out of our control; however, DWM will address this with the Purchasing Coordinators and mandate purchasing training.

We recently got approval for a new contract with a new uniform vendor, and this will correct the problem.

The surcharge was paid on the first invoice to a graphics vendor through miscommunication but was discussed with Purchasing and it was not paid on the other invoice. This was a mistake that will be corrected in the future. The person ordering this explained to the Purchasing Coordinator that it should be paid. This has been explained by Purchasing and DWM management to the Purchasing Coordinator.

The emergency P.O.s were put on due to the equipment breakdown at the MRF. There is a lot of expensive equipment at this location which is vital to operations that would result in piling up of materials, losing revenue, and not being able to handle the loads coming in to this facility. When something breaks down, it is important to fix the problem ASAP.

#### Commissioner of Environmental Quality & Public Works Response:

Commissioner Moloney concurs with the recommendation. There were a lot of issues with the order for employee uniforms that required deviations from normal procurement processes.

#### Follow-Up Detail Results:

We noted the guidelines for purchase coordinators included as Appendix B of this report dated May 13, 2013, is now part of Waste Management's official SOPs. The Administrative Officer indicated the updated SOP was discussed with purchasing coordinators in May 2013 and again on September 9, 2013. Purchasing Coordinators provided documentation validating the occurrence of the September 9, 2013 training discussion. Although the May 2013 training discussion was, for the most part, not validated by the payroll coordinators, the final result is that the updated purchasing coordinator SOP is now complete and at least one training discussion has occurred.

However, testing of expenditures conducted for this follow-up noted that some purchase orders were still issued after the invoice date, indicating the goods or services are ordered prior to the issuance of the purchase order.

Division management should continue to monitor purchasing activities for adherence to Purchasing Policies and Procedures.

**Director of Waste Management Response:**

Purchasing Coordinator Guidelines – This has been distributed to all Purchasing Coordinators and explained in detail the issues that were identified in the Audit Report as well as informing them to use the intranet for the complete Purchasing Procedures. Ongoing training will be reinforced with continual monitoring, particularly in May emphasizing the importance of recording transactions in the correct Fiscal year. This has been incorporated in the SOP.

**Acting Commissioner of Environmental Quality & Public Works Response:**

I concur with the response from the Division of Waste Management.

**Original Finding # 2: Expenditures Recorded in the Wrong Fiscal Year**  
**Priority Rating: High**

**Condition:**

We noted that multiple expenditures across all fiscal years tested were recorded in the wrong fiscal year when the vendor's invoice date was compared with the accounting date posted in PeopleSoft (the accounting date reflects the fiscal year in which the expenditure is recorded). Under generally accepted accounting principles, expenditures should be recorded in the fiscal year in which they are incurred. According to Accounts Payable personnel, prior to fiscal year end a series of emails are communicated to the Divisions providing guidance on year end expenditures and posting deadlines. If a Division doesn't get documentation to Accounts Payable on time, the expenditure is not recorded in PeopleSoft until the next fiscal year.

**Effect:**

If expenditures are not recorded in the proper fiscal year, liabilities due at June 30 are understated and fund balance is overstated in the CAFR.

**Recommendation:**

The Division of Waste Management should consistently follow the procedures established by Accounting for the year end expenditures process. We also recommend additional training for Waste Management staff having purchasing responsibilities.

**Director of Waste Management Response:**

Once again, a lot of exceptions had to do with uniform orders. Division of Waste Management (DWM) will call vendors with outstanding invoices, and any problems will be reported to managers. DWM will stress to Purchase Coordinators how important this is and rectify the problem.

**Commissioner of Environmental Quality & Public Works Response:**

Commissioner Moloney concurs with the recommendation.

**Follow-up Detail Results:**

We noted the guidelines for purchase coordinators included as Appendix B of this report dated May 13, 2013, is now part of Waste Management's official SOPs. The Administrative Officer indicated the updated SOP was discussed with purchasing coordinators in May 2013 and again on September 9, 2013. Purchasing Coordinators provided documentation validating the occurrence of the September 9, 2013 training discussion. Although the May 2013 training discussion was, for the most part, not validated by the payroll coordinators, the final result is that the updated purchasing coordinator SOP is now complete and at least one training discussion has occurred.

Testing conducted for this follow-up noted that some expenditures were recorded in the wrong fiscal year when the vendor's invoice date was compared with the accounting date posted in PeopleSoft. In addition, we noted some expenditures occurring in fiscal year 2013 were actually charged against purchase orders created in fiscal year 2014 and charged against the FY 2014 budget. However, we were informed by Accounts Payable management that Waste Management's compliance with year-end accounting requirements had improved over that of previous years.

We recommend the Division work closely with Accounts Payable to ensure consistent adherence with year-end Accounting Policies and Procedures.

**Director of Waste Management Response:**

Purchasing Coordinator Guidelines - This has been distributed to all Purchasing Coordinators and explained in detail the issues that were identified in the Audit Report as well as informing them to use the intranet for the complete Purchasing Procedures. Ongoing training will be reinforced with continual monitoring, particularly in May emphasizing the importance of recording transactions in the correct Fiscal year. This has been incorporated in the SOP.

**Acting Commissioner of Environmental Quality & Public Works Response:**

I concur with the response from the Division of Waste Management.

**Original Finding # 3: Written Policy Needed for Employee Uniform Purchases**  
**Priority Rating: High**

**Condition:**

Depending on their job duties, employees in the Division of Waste Management may receive uniforms every year and work boots every two years. Waste Management follows an informal policy for uniform purchases, but this policy is not documented. We also noted what appeared to be the purchase of uniforms in bulk, since no employees were identified on the invoice or related Purchase Order.

**Effect:**

The absence of written procedures could result in Waste Management personnel being inconsistent in following management's directions and in fulfilling management's expectations. The absence of written procedures also makes it more difficult to train employees and hold them accountable for their performance. Bulk purchases may result in unnecessary purchases.

**Recommendation:**

The Division of Waste Management should develop a written policy regarding the purchase of employee uniforms. The policy should state how much is to be spent on each employee based on position and job duties, and the circumstances for which additional employee uniforms (if any) may be purchased. Uniform purchases for each employee should be clearly tracked, either through an internal process or indicated on the vendor invoice, to enable management to monitor and review the purchases for appropriateness. Bulk purchases should be eliminated or otherwise closely monitored.

**Director of Waste Management Response:**

A written uniform policy was given to Purchasing last year. DWM has revised the policy and will add it to the SOP and send a final copy to Purchasing.

Multiple PO's were missing items from a uniform vendor. A Division of Waste Management Staff Assistant created this (Purchase Requisition) in bulk due to DWM not receiving all the items ordered from the uniform vendor, and the Division of Waste Management Staff Assistant needed to get the items ordered and received before the end of the Fiscal Year. Purchasing approved ordering the outstanding items through another uniform vendor since LFUCG had a contract with them for T-shirts, and this other

vendor agreed to honor the same price as the original uniform vendor. The Waste Management Staff Assistant used the individual employee order forms to show as supporting documentation for each shirt ordered on the Purchase Order. She used the individual order forms to distribute the outstanding items for each employee and had each employee initial and date when they received the items. DWM keeps accurate records for what each employee ordered and received with their signatures on a spreadsheet for both uniforms and boots.

**Commissioner of Environmental Quality & Public Works Response:**

Commissioner Moloney concurs with the recommendation.

**Follow-up Detail Results:**

The Division of Waste Management's uniform policy, included as Appendix C, was updated and included in the most recent official SOP dated August 21, 2013. The Administrative Officer stated this policy was not formally communicated to employees because this has already been the practice of the Division for some time. The policy includes a note indicating uniforms will be treated as a fringe benefit. The Division of Waste Management provided this policy to the Division of Purchasing on October 4, 2013. The Division of Waste Management has implemented procedures to track uniform purchases for each employee and to submit this to the Division of Accounting for W-2 reporting purposes.

Expenditure testing conducted for this follow-up found no bulk purchases.

We recommend the uniform policy be formally communication to all Waste Management employees. This communication should also clearly inform the employees that their uniforms will be treated as a fringe benefit, which is a new development.

**Director of Waste Management Response:**

Uniform Policy has been created and distributed to Purchasing and Purchasing Coordinators. This has also been incorporated into the SOP.

The procedures we use to track orders shows the invoice, the order form, and employee's signature that they received all items. Everything is matched and completed with the employee signing a received sheet with the total amount of monies spent which will be reported and sent to accounting in October of each year.

Each year we send out a notice and post the information on public screen when uniform sizing will begin. The employees are given an order form that indicates the total amount they are allowed to use to choose their uniform selection.

A sign in sheet has been given to Dispatch downstairs for each eligible employee to sign and date that states that their uniform and boot allowance will be reported on their W-2 as taxable income.

**Acting Commissioner of Environmental Quality & Public Works Response:**

I concur with the response from the Division of Waste Management.

**Original Finding # 4: Incorrect Use of 211-5 Disbursement Request Form**  
**Priority Rating: High**

**Condition:**

During our review of year-end transactions, it appeared only eleven payments were made to a vendor in fiscal year 2012 when twelve payments should have been made. Upon further inquiry, we noted that a 211-5 Disbursement Request Form was used for the twelfth (June) payment. As noted on the "Using a 211-5 Disbursement Request Form", a 211-5 cannot be used to pay invoices for the purchase of goods or services that should have been ordered using a purchase order. We were informed by Waste Management personnel this approach may have been taken to pay the expenditure before the fiscal year end. The expenditure was recorded in the proper fiscal year, but part of the expenditure was charged to the wrong fund.

**Effect:**

The Landfill Fund may have an understated fund balance of approximately \$108,000, and the Urban Services Fund may have an overstated fund balance of approximately \$108,000 for Fiscal Year 2012.

**Recommendation:**

The Division of Waste Management should consistently comply with the policies established for the use of the 211-5 form. The Director of Accounting will be notified of the accounting error to determine if a prior period adjustment will be necessary for the FY 2013 CAFR.

**Director of Waste Management Response:**

Part of the expense was inadvertently charged to the Landfill, when \$108,000 should have been charged to Fund 1115 instead of Fund 4121. Error noted and explained to Purchasing Coordinator as well as the rules for using the 211-5.

**Commissioner of Environmental Quality & Public Works Response:**

Commissioner Moloney concurs with the recommendation. It is our standard practice to pay for solid waste disposal with the Landfill Fund and transportation of the waste to the landfill with the Urban Services Fund.

**Follow-Up Detail Results:**

We noted the guidelines for purchase coordinators included as Appendix B of this report dated May 13, 2013, is now part of Waste Management's official SOPs. The Administrative Officer indicated the updated SOP was discussed with purchasing coordinators in May 2013 and again on September 9, 2013. Purchasing Coordinators provided documentation validating the occurrence of the September 9, 2013 training discussion. Although the May 2013 training discussion was, for the most part, not validated by the payroll coordinators, the final result is that the updated purchasing coordinator SOP is now complete and at least one training discussion has occurred.

Expenditure testing conducted for this follow-up found no violation of 211-5 procedures.

The \$108,000 adjustment to reimburse the Landfill Fund was made by Accounting via Journal Entry # 0000072087.

No management response required.

**Original Finding #5: Council Approved Account Coding Not Consistently Followed**

**Priority Rating: High**

**Condition:**

Our testing identified one expenditure in 2010 and two expenditures in 2013 that were not recorded in the specified fund and/or account as set forth in the related resolution as approved by Council. For example, Council approved \$40,000 to be charged to 1115-303504-3552-75801 and \$21,850 be charged to 1115-303502-3521-96455 for a particular project, but the project expenditure was actually charged to 1115-303501-0001-71299.

We also noted one instance where goods were ordered prior to the Council Resolution to accept the vendor's bid. The vendor sale order date on the invoice was June 26, 2012 and

the final action of Council to accept the bid was July 10, 2012. The vendor invoice indicated goods would not be shipped until informed by customer.

**Effect:**

Failure to charge Council approved project costs to the appropriate fund and/or account diminishes the ability to track the specific costs of such projects.

**Recommendation:**

Waste Management should ensure expenditures are recorded in the proper fund and account in compliance with Council ordinances and resolutions. Such expenditures should not be incurred until approved by Council.

**Director of Waste Management Response:**

The original request was filled out by a staff member during the supervisor's absence. The request included the chart string. DWM purchasing staff did as instructed on the request. An Administrative Officer Senior in the Commissioner's Office of the Department of Environmental Quality and Public Works saw it for his approval and he sent an email to change the account string as he felt the chart string was incorrect as it did not relate to the service requested. DWM staff worked with Accounting to change the chart string.

Loan A Box containers were purchased because DWM had run out of containers and they had to be on contract or it would not have gone through Purchasing.

Bluegrass PRIDE invoices were not completed in DWM. These were completed by a Program Manager Senior and Administrative Specialist Senior in the Division of Environmental Policy.

**Commissioner of Environmental Quality & Public Works Response:**

Commissioner Moloney concurs with the recommendation.

**Follow-Up Detail Results:**

We noted the guidelines for purchase coordinators included as Appendix B of this report dated May 13, 2013, is now part of Waste Management's official SOPs. The Administrative Officer indicated the updated SOP was discussed with purchasing coordinators in May 2013 and again on September 9, 2013. Purchasing Coordinators provided documentation validating the occurrence of the September 9, 2013 training discussion. Although the May 2013 training discussion was, for the most part, not validated by the payroll coordinators, the final result is that the updated purchasing coordinator SOP is now complete and at least one training discussion has occurred.

Expenditure testing conducted for this follow-up did not identify any improper account coding.

No management response required.

**Original Finding # 6: Expenditures Charged to Incorrect Sub-department**  
**Priority Rating: Moderate**

**Condition:**

Our testing identified expenditures incurred for temporary labor in FY 2011 and FY 2012 that were charged to the wrong sub-department (e.g., temporary labor incurred for Refuse Collection or Yard Waste Collection was charged to the Material Recycling Facility). The totals incorrectly charged were \$76,034 and \$57,407, for FY 2011 and FY 2012 respectively. Management indicated the primary reason for this was budgetary limits, i.e. once a budgetary limit was reached the additional costs would be charged to another sub-department.

Budget Ordinance 129-2005 states that annual expenditure budgets are adopted at four control levels, one of which is operating accounts, and each Division Director has authority to spend their budget in various ways as long as the overall budget isn't overspent. However, in our opinion recording costs in the wrong sub-department is not a good practice as it negates the ability to correctly identify costs associated with a Division's sub-department (which essentially constitutes a program or cost center within that Division).

**Effect:**

For Divisions such as Waste Management that provides multiple services, recording costs in the wrong sub-department prevents the Administration and Council from being able to ascertain the actual costs incurred for each service.

**Recommendation:**

The Division of Waste Management should request budget transfers when necessary so service costs can be recorded in the proper sub-department. Council should consider making this a budgetary requirement in order to track service and program costs within the various Divisions.

**Director of Waste Management Response:**

There was one entry of \$76,100 that was paid out of the wrong section. This was accounted for in the Division's financial records. This will not happen again. Budget transfers will always be made.

**Commissioner of Environmental Quality & Public Works Response:**

Commissioner Moloney concurs with the recommendation.

**Follow-Up Detail Results:**

Expenditure testing conducted for this follow-up identified \$71,700 in temporary labor costs incurred during FY 2013 for refuse or yard waste collections that was charged to the Materials Recycling Facility.

We recommend Waste Management request budget transfers to adjust their budgetary control when costs are charged to unrelated sub-departments.

**Director of Waste Management Response:**

This has been discussed with all Purchasing Coordinators and will be monitored more closely.

**Acting Commissioner of Environmental Quality & Public Works Response:**

I concur with the response from the Division of Waste Management.

**Original Finding #7: Uniform Allowance Not Reported On Employee W-2s  
Priority Rating: Moderate**

We contacted Payroll personnel within the Division of Human Resources and were informed that the issuance of uniforms and boots to Waste Management employees had not been reported to them as a uniform allowance, and therefore is not being reported on Waste Management employees' W-2 Forms.

Generally speaking, clothing or uniforms are excluded from wages of an employee if they are:

- Specifically required as a condition of employment, and
- Are not worn or adaptable to general usage as ordinary clothing, for example a policeman's or fireman's uniform.

**Effect:**

This is a possible violation of IRS Fringe benefit rules noted in IRS Publication 15, Circular E and Publication 15-B.

**Recommendation:**

Division of Waste Management should discuss with payroll whether the purchase of uniforms for employees should be treated as a fringe benefit and included on the employee's W-2.

**Director of Waste Management Response:**

The Division was not aware of this reporting policy, but has corrected it promptly. A Division of Waste Management Administrative Officer has contacted an Accountant Senior the Division of Accounting to set up the proper reporting forms and obtain the submission date for submitting the information. This will be completed and sent to Accounting by the end of October each calendar year.

**Commissioner of Environmental Quality & Public Works Response:**

Commissioner Moloney concurs with the recommendation.

**Follow-Up Detail Results:**

The Division of Waste Management's uniform policy, included as Appendix C, was updated and included in the most recent official SOP dated August 21, 2013. The Administrative Officer stated this policy was not formally communicated to employees because this has already been the practice of the Division for some time. The policy includes a note indicating uniforms will be treated as a fringe benefit. The Division of Waste Management provided this policy to the Division of Purchasing on October 4, 2013. The Division of Waste Management has implemented procedures to track uniform purchases for each employee and to submit this to the Division of Accounting for W-2 reporting purposes.

We recommend the uniform policy be formally communication to all Waste Management employees. This communication should also clearly inform the employees that their uniforms will be treated as a fringe benefit, which is a new development.

**Director of Waste Management Response:**

A sign in sheet has been given to Dispatch downstairs for each eligible employee to sign and date that states that their uniform and boot allowance will be reported on their W-2 as taxable income.

**Acting Commissioner of Environmental Quality & Public Works Response:**

I concur with the response from the Division of Waste Management.

**Original Risk Observation-Purchasing Procedures Allow Invoices to Exceed Related Purchase Orders**

As noted on page 26 of the 2009 Purchasing Manual, modification of information on a purchase order is sometimes necessary. A change requester is issued to make the following changes to a purchase order:

1. Increase or decrease the amount and/or quantity;
2. Modify the description of goods or services; or
3. Cancel.

A change request must be requested when the amount of increase exceeds 5% or \$300 for a purchase order line, not the entire purchase order amount.

We were informed by Division of Purchasing personnel that one primary reason for this policy is to cover the cost of additional freight. We were informed that Divisions don't always remember to add freight to a purchase order, and in order to expedite the purchase and payment processes, an acceptable variance policy was created. During the audit, we noted several instances where the purchase order was less than the amount of the related invoice, and in some instances freight cost was not cause. Although an allowable practice under the current Purchasing Procedures, this weakens the effectiveness of the budget encumbrance process. In addition, allowing a five percent variation for a purchase line, or in some cases multiple purchase lines, on the same purchase order could result in a significant difference in the total amount of the purchase order when compared to the invoice.

We recommend the Division of Purchasing reconsider the benefits versus the risks of this current policy. If it is determined that the policy should be retained, we recommend consideration be given to specifying those instances in which it would be acceptable for the invoice cost to exceed the purchase order cost, as opposed to the blanket language current in place.

**Director of Purchasing Response:**

Recommend changing the language in the Purchasing Manual to the following to address the potential risk:

A change request must be requested when the amount of increase exceeds 5% or \$300 for a purchase order line not the entire purchase order amount. A change order must be requested when the entire amount of the change exceeds \$1000 per purchase order.

**Commissioner of Finance & Administration Response:**

Commissioner of Finance & Administration concurs with the Purchasing response.

**Follow-Up Detail Results:**

Purchasing Manual language was changed on April 22, 2013 and reads as stated in the Director of Purchasing Response. See Appendix D. Shortly thereafter, the Division of Purchasing held a meeting where this policy change was discussed. The Division Director indicated that this Purchasing procedure change was not formally communicated to all LFUCG employees having purchasing responsibilities because the change was deemed insignificant.

We recommend the Division of Purchasing formally communicate changes to the Purchasing Procedure Manual to all employees whenever they occur. We also noted that the Purchasing Procedure Manual is dated March 2009, and we recommend the revised date be included on the front of the Manual.

**Director of Purchasing Response:**

We communicated the change order language modification to all requesters in all Divisions on November 6<sup>th</sup>.

**Commissioner of Finance & Administration Response:**

I concur with the Director of Purchasing response.



Lexington-Fayette Urban County Government  
DEPARTMENT OF ENVIRONMENTAL QUALITY & PUBLIC WORKS

Jim Gray  
Mayor

Richard Moloney  
Commissioner

MEMORANDUM

**To:** Kevin Stinnett, Chairman  
Environmental Quality Committee

**From:** Richard Moloney, Commissioner *RM*  
Dept. of Environmental Quality and Public Works

**Date:** September 10, 2013

**Re:** Follow-up on Audit of Expenditures at Div. of Waste Management (DWM)

At the August 20, 2013 meeting of the council's Environmental Quality Committee, there was a request made to have follow-up on the division's response to findings from a recent audit at the DWM. I write in response to this request and will address each of the findings in order.

**Findings #1 and #2** included a recommendation for more training for purchasing staff at the DWM. Written guidelines for purchasing coordinators are now part of the DWM standard operating procedures (SOPs) (see pages 16-17). Training for the staff occurred on May 13, 2013. The staff are Tracey McElroy, Ruby Phillips, and Cassandra Bunton. The training was administered by Laura Boorn, Administrative Officer for DWM.

**Findings #3 and #7** identified the need for a policy about purchases of employee uniforms. This policy has been developed and is now part of the DWM SOPs (see pages 18-19).

**Finding #4** relates to the use of the 211-5 process for purchases. The guidance for proper use of this procurement option has also been incorporated into the SOPs (page 17) and staff have been counseled on its use.

A second concern described in Finding #4 relates to a particular invoice for waste disposal and the fund chosen to pay for the expense. It is customary to pay for expenses related to solid waste *collection* (including transport to the landfill) from the Urban Services Fund (PeopleSoft Fund Code 1115) and to pay for expenses related to *disposal* of waste from the Landfill Fund (Fund Code 4121). In this instance, the full cost for the invoice under review was paid out of the Landfill Fund, causing an overstated fund balance for the Urban Services Fund, and an understated fund balance for the Landfill Fund.

After some internal discussion, we have asked the Dept. of Law to examine the extent to which this customary manner of splitting expenses is necessary. In other words, we are examining if LFUCG has latitude, legally, to pay for overall solid waste management expenses (collection, disposal, etc.) from the Landfill Fund. The pertinent ordinances are Ord. No. 138-95 and 126-97. Though this issue is presently under review, I have nevertheless sent a request to the Commissioner of Finance to make a transfer from the Urban Services Fund to the Landfill Fund to correct for the fund balance concerns stated in the audit.

DWM Audit Follow-Up  
Page Two

Findings #5 and #6 concern the use of proper accounting, specifically as it relates to the funding specified in council resolutions. These issues were covered in the training for purchasing staff, and are addressed in the division's SOPs. Going forward, the Commissioner's Office will also address this issue through the standard PeopleSoft approval process for requisitions. Specifically, the Commissioner's Office will check each resolution, and the backup correspondence provided in Legistar, to make sure the council-approved accounting in the resolution matches the requisition's accounting in PeopleSoft.

I believe through proper training and follow-through, we can avoid future problems of this nature. To this end, the Department of Finance has offered to help us with a "refresher course" on various purchasing and budgeting procedures in the coming months. If you should have any further questions about the audit, or our response, please don't hesitate to contact me.

cc: Sally Hamilton  
William O'Mara  
Steve Feese  
Todd Slatin  
Phyllis Cooper  
Bruce Sahli  
Alicia Boyd

Attachment: DWM standard operating procedures

**PURCHASING COORDINATOR GUIDELINES****5/13/2013**

All Purchase Coordinators are responsible for coordinating the purchasing activities and ensure compliance of the purchasing regulations for their respective sections for the Division of Waste Management.

**Responsibilities of the Purchasing Requester:**

1. Enter requisitions in a timely manner.
2. A Purchase Requisition Request Form will be filled out by the requestor, submitted to the Administrative Officer, if approved by Administrative Officer this form will be submitted to the Purchase Coordinator to process to ensure that requisitions are entered completely and correctly. (Form is attached). Every employee has this form on their computer to submit their requests. Any questions or concerns should be directed to the Administrative Officer and/or Director.
3. Budget checking and submitting requisitions into workflow will be approved on work list by Administrative Officer, Division Director, and Commissioner.
4. Review and adhere to Year End Closing Procedures provided by Central Purchasing. Contact all vendors that have outstanding invoices in order to get expenditures recorded in the correct fiscal year. Inform Administrative Officer of any problems that would need to be resolved to complete this task.
5. On all requisitions that involve Council approved project costs that conclude with a resolution, in the description box the Resolution number and chart string will be included on every requisition submitted to purchasing.

**Using a 211-5 Disbursement Request Form**

- The 211-5 Disbursement Request Form (211-5) process is primarily to facilitate payment for goods and services when a PO or Procurement card is not needed or cannot be used.
- Examples of acceptable use of a 211-5 include:
  - Reimbursement of employees for travel related expenses and other reimbursements provided by policy and/or contract,
  - Purchase of permanent and temporary easements
  - Payments to citizens including rent/utility assistance, landfill or sewer user refunds
  - Payments using NDF monies,
  - Payments that include retainage (These projects still require using the PO/Receipt process, but a 211-5 will be required in order to process the retainage correctly)
- A 211-5 cannot be used to pay invoices for the purchase of goods and services that should have been ordered using a PO
- Contact the Division of Accounting at 258-3310 if you have any questions.

***Note: The 211-5 Form can be found at***

***R:\FORMS\Finance & Budget Forms\211-5 Revised Sept 2012***

*STANDARD OPERATING PROCEDURES FOR THE DIVISION OF WASTE MANAGEMENT***III. UNIFORM POLICY FOR WASTE MANAGEMENT**

All civil service personnel in the Division of Waste Management, excluding the director, program managers, operations managers, administrative officer, administrative specialist, administrative specialist senior, staff assistant, staff assistant senior and other administrative staff personnel, are required to wear clothing and work shoes provided by the Division. Furthermore, any Administrative personnel, including Supervisors and Supervisor Sr. who do not perform job duties outside the office on a routine basis are not eligible for a uniform allowance unless a shown need is approved at the discretion of the Director of Waste Management.

Newly hired employees will be allowed to order an initial supply of uniforms not to exceed \$225 and boots, in addition to uniforms, after they have served their six (6) months probation period. For safety reasons, if a new hire's six (6) month probation date falls outside six (6) months before the division places their boot orders, new employees will be eligible to order boots as opposed to having to wait on the division as a whole. Uniform and boot selections are predetermined by the Director and Program Manager Sr. Every two years; boot selections are determined and approved collectively through the Director, Program Manager Sr., Administrative Officer and a LFUCG Purchasing Agent. Until uniforms and/or boots arrive, new employees are required to provide their own clothing and work shoes, and they must be suitable for performing the requirements of the position for which they were hired. This shall establish the "required uniform" standard for each employee to maintain thereafter.

After initial issue, each employee will be assigned an annual uniform allotment of \$225 for regular employees and \$250 for field supervisors, based on the approved annual budget for clothing and supplies. Employees must maintain, at all times, the required uniform compliment to ensure they present a neat and presentable appearance while at work. Employees must use their uniform allotment to replace all soiled or torn clothing from the required uniform group.

Employees that have a full wardrobe of required uniforms in good and usable condition can select to use their allotment for boots from the selections provided by the Division for that year. It is required that the shirt, sweatshirt, and jacket that become the layer seen by others displays the Division name and/or the LFUCG seal.

**STANDARD OPERATING PROCEDURES FOR THE DIVISION OF WASTE MANAGEMENT**

Employees are required to wear work shoes that meet all safety requirements set forth by OSHA and the Division. The selected shoe/boot must be constructed of quality leather or synthetic uppers, at least 6" tall, have non-skid soles, resist penetration by objects, absorb impact shock, compression protection, water resistant and electrically conductive. Work shoes shall be "steel toe" based or have an equivalent safety rating. Shoes that are forbidden to be worn include, but are not limited to, tennis shoes, gym shoes, running shoes, or any other type of athletic footwear even if the shoe claims to be steel toed or a "safety shoe".

Since monies are provided by the LFUCG for the purchase of uniforms and work shoes, employees are required to wear the uniforms at all times while at work, excluding assignment at LFUCG sponsored special activities that allow for a different level of dress to be worn. Employees are expected to keep the uniforms clean and in good repair so they present a neat and presentable appearance while at work.

The division director, program manager sr., operations managers, and administrative staff are responsible for providing their own clothing and shoes at their own expense. All clothing and shoes worn shall be presentable and suitable for the work/office environment.

All specifications listed in this statement are to be considered as guidelines and are subject to change without notice at the discretion of the Division Director.

**PLEASE NOTE:** The allotment given to the employee for uniform and boot allowance will be treated as a fringe benefit and will be included on the employee's W-2.

### Change Requests/Change Orders

Modification of information on a purchase order is sometimes necessary. A change request is issued to make the following changes to a purchase order:

1. Increase or decrease the amount and/or quantity;
2. Modify the description of goods or services; or
3. Cancel

A change request must be requested when the amount of increase exceeds 5% or \$300 for a purchase order line not the entire purchase order amount. A change order must be requested when the entire amount of the change exceeds \$1000 per purchase order.

A change order is not required if the change is a decrease unless the original request for purchase received Council action, if so, the decrease in cost will need Council approval via the administrative review (blue sheet) process. A change request to decrease a purchase order may be requested in order to return funds not needed to pay the purchase order to the budget of the requesting agency.

Any change to a purchase order that increases or decreases the contract amount for construction or professional services contracts that have been approved by Council requires a change order to also be approved by the Urban County Council.

Changes to accounting information cannot be accomplished with a change request. Contact the Division of Accounting for the process required to correct accounting information

A change request cannot be used to change the vendor shown on a purchase order. If it is necessary to change the vendor, contact the buyer on the purchase order as they may be able to issue a new purchase order using the existing requisition or process a change request to cancel the purchase order and then enter a new requisition to the correct vendor.

The change request will enter workflow for departmental approval and then will automatically be sent to Central Purchasing for appropriate buyer to process. Central Purchasing will issue a change order.

# Fund 4002 Sanitary Sewers Operating Fund

## Revenue & Expenditures Statement

Year to Date Through Dec 31, 2013

Title	Original Budget	Amended Budget	YTD Through 12/31/2013	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services	45,275,900	45,275,900	24,505,072	20,770,828	54.1%
Intergovernmental Revenue	484,200	484,200	6,862,089	-6,377,889	1417.2%
Investment Income (non-op)	400,000	400,000	-280,467	680,467	-70.1%
Other Income	20,000	20,000	22,299	-2,299	111.5%
Transfers In	0	295,448		295,448	0.0%
Total Revenue	46,180,100	46,475,548	31,108,993	15,366,555	66.9%
Expenses:					
Personnel	12,435,040	12,554,365	4,737,348	7,817,017	37.7%
Operating Expenses	25,300,970	25,626,890	9,704,944	15,921,946	37.9%
Capital	6,327,650	6,896,000	583,202	6,312,798	8.5%
Total Expenditures	44,063,660	45,077,255	15,025,494	30,051,761	33.3%
Net Difference	2,116,440	1,398,293	16,083,499		
FY Available Fund Balance	0	0			
	<u>2,116,440</u>	<u>1,398,293</u>			

FUNDS 4002-4004:

Unrestricted Fund Balance 6.30.13 \$0 M

Capital Reserves 60.7 M

# Fund 4003 Sanitary Sewers Construction Fund

## Revenue & Expenditures Statement

Year to Date Through Dec 31, 2013

Title	Original Budget	Amended Budget	YTD Through 12/31/2013	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services			293,593	293,593	0.0%
Investment Income (non-op)			123	123	0.0%
Other Financing Sources	25,000,000	25,000,000		25,000,000	0.0%
Total Revenue	25,000,000	25,000,000	293,716	25,293,716	1.2%
Expenses:					
Operating Expenses	3,345,000	11,812,434	1,451,750	10,360,684	12.3%
Transfers		230,703		230,703	0.0%
Capital	40,252,830	83,140,065	11,997,664	71,142,401	14.4%
Total Expenditures	43,597,830	95,183,202	13,449,414	81,733,788	14.1%
Net Difference	-18,597,830	-70,183,202	-13,155,698		
FY Available Fund Balance	0	0			
	-18,597,830	-70,183,202			
FUNDS 4002-4004:					
Capital Reserves	60.7 M				

# Fund 4051 Water Quality Operating Fund

## Revenue & Expenditures Statement

Year to Date Through Dec 31, 2013

Title	Original Budget	Amended Budget	YTD Through 12/31/2013	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services	11,500,000	11,500,000	6,548,467	4,951,533	56.9%
Fines and Forfeitures	14,000	14,000	28,812	-14,812	205.8%
Investment Income (non-op)			-62,680	-62,680	0.0%
Other Financing Sources	2,100,000	2,100,000		2,100,000	0.0%
Other Income	4,800	4,800	1,121	1,121	0.0%
Total Revenue	13,618,800	13,618,800	6,515,720	6,975,162	47.8%
Expenses:					
Personnel	4,414,650	4,328,020	1,761,050	2,566,970	40.7%
Operating Expenses	7,403,980	4,922,200	1,814,555	3,107,645	36.9%
Capital	3,855,400	347,688	50,519	297,169	14.5%
Total Expenditures	15,674,030	9,597,908	3,626,124	5,971,784	37.8%
Net Difference	-2,055,230	4,020,892	2,889,596		
FY Available Fund Balance	0	0			
	-2,055,230	4,020,892			
Unrestricted Fund Balance					
6.30.13	6.1 M				

# Fund 4052 Water Quality Construction Fund

## Revenue & Expenditures Statement

Year to Date Through Dec 31, 2013

Title	Original Budget	Amended Budget	YTD Through 12/31/2013	Remaining Budget	Percent Collected/Used
Expenses:					
Operating Expenses		6,136,417	583,039	5,553,378	9.5%
Capital		3,655,331	348,880	3,306,451	9.5%
Total Expenditures	0	9,791,748	931,919	8,859,829	9.5%
Net Difference	0	-9,791,748	-931,919		
FY Available Fund Balance	0	0			
	0	-9,791,748			
<b>Unrestricted Fund Balance</b>					
<b>6.30.13</b>	<b>6.1 M</b>				

# Fund 4121 Landfill Operating Fund

## Revenue & Expenditures Statement

Year to Date Through Dec 31, 2013

Title	Original Budget	Amended Budget	YTD Through 12/31/2013	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services	6,704,530	6,704,530	3,425,391	3,279,139	51.1%
Investment Income (non-op)			1,337	1,337	0.0%
Other Income	222,000	222,000	114,860	107,140	51.7%
Total Revenue	6,926,530	6,926,530	3,541,588	3,387,616	51.1%
Expenses:					
Personnel	748,690	748,690	300,603	448,087	40.2%
Operating Expenses	5,491,580	5,623,210	2,020,973	3,602,237	35.9%
Transfers	200,000	200,000	100,000	100,000	50.0%
Capital	1,040,000	1,678,102	36,569	1,641,533	2.2%
Total Expenditures	7,480,270	8,250,002	2,458,145	5,791,857	29.8%
Net Difference	-553,740	-1,323,472	1,083,443		
FY Available Fund Balance	0	0			
	-553,740	-1,323,472			
Unrestricted Fund Balance					
6.30.13	14.5 M				

## Committee Referrals

### Environmental Quality Committee

Item	Referred By	Date	Status
Capacity Analysis	Blues		Part of RMP
Waste Management Funding Options	Stinnett	4-13-11	Waste Management Task Force
Consolidate Greenway Responsibilities	EQ Link	6-19-11	
UK Game Day Solid Waste Collection: Revenue Source	EQ Link	6-19-11	Waste Management Task Force
Bulky Item Collection: Revenue Source	EQ Link	6-19-11	Waste Management Task Force
DWQ Construction Process	Myers	3-17-12	
Empower Lexington Plan	Kay	3-20-12	Oct 2013 Meeting
Annual Report on Public Education Effectiveness	EQ/PW Link	5-19-12	March 12, 2013
Distillery District Update	Gorton	11-6-12	Sept 2013 Meeting Update
Waste Management Expenditure Audit	Stinnett	4-23-13	